

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

STARRED QUESTION NO:11
ANSWERED ON:23.11.2005
PRODUCTION OF CAPTIVE COAL MINES
Suman Shri Ramji Lal

Will the Minister of COAL be pleased to state:

- (a) whether certain captive coal mines have more production capacity than their requirements ;
- (b) if so, the details thereof;
- (c) the basis on which requirements of such companies are assessed;
- (d) whether any enquiry has been conducted regarding the wrong assessment of requirements of such companies ;
- (e) if so, the outcome thereof ;
- (f) if not, the reasons therefore;
- (g) whether there is any arrangement for use of such excess production; and
- (h) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a)to(h) : A statement is laid on the table of the House.

STATEMENT REFERRED TO IN ANSWER TO PARTS (A) TO (H) OF THE LOK SABHA STARRED QUESTION NO. 11 ASKED BY SHRI RAMJI LAL SUMAN AND SHRI RAJIV RANJAN SINGH 'LALAN' REGARDING PRODUCTION OF CAPTIVE COAL MINES.

(a)&(b)The annual production capacity of a coal/lignite mine depends mainly on the geology of the reserve and geography of the surface. At the time of allocation of coal mines, requirement of the allocatee is matched with the quantity of coal/ lignite reserve in a block. Since exact match is not always possible, the assessed production capacity of a mine can be marginally more or less than the requirement of the allocatee. However, the allocatee, in its approved mining plan, plans extraction of coal to the extent of its annual requirement, as far as possible.

(c)to(f) Coal requirement of a sponge iron or pig iron plant for iron and steel making is assessed by the Ministry of Steel, whereas in case of power generation and cement production, the coal requirement is assessed by the Ministry of Power and the Ministry of Commerce and Industry respectively as per the consumption norms adopted by them. The requirement of the allocatee companies is assessed based on the aforesaid norms and hence the need for any enquiry does not arise.

(g)&(h) : In case of any excess production, the allocatee is required to dispose of the same to the local subsidiary of Coal India Limited at a price to be determined by the Ministry of Coal. Surplus is also allowed in force majeure situations to be disposed of to approved end user, with prior approval of the Government.